

Hotel Renovation: Wellness Spa

Site Location:

Upper West Side of New York City

Type:

Hyatt Place hotel (intent to transform into upscale independent boutique)

Prepared For:

Contextual Development Group (CDG)

Prepared By:

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PROJECT VISION & INTRODUCTION

This report will cover the impact of renovating part of the 2nd floor of the recently acquired Hyatt Place Hotel located on the Upper West Side of New York City and transforming the space into a wellness spa. This project is in response to Contextual Development Group's (CDG) desire to reposition the hotel into an upscale independent boutique hotel and to find a revenue generating opportunity for the current 2nd floor meeting space.

Key Demand Generators on the Upper West Side in NYC

The Upper West Side is perfectly situated in the heart of Manhattan which happens to be one of the most popular spots for tourists to visit when they come to NYC. The Upper West Side offers the proximity to and vibrance of all the city's offerings, with less chaos in terms of traffic and people because it is primarily a wealthier residential area. The Upper West Side is often known for being one of NYC's most notable cultural and intellectual centers. Columbia University and Barnard College are located within this neighborhood, as are countless museums and centers for performing arts. The American Museum of Natural History is one of the most famous museums in the country and is in the Upper West Side. The Lincoln Center for the Performing Arts is another prominent location found in this neighborhood. Being directly across the street from Central Park is also a huge convenience for tourists visiting and families living in the Upper West Side. It goes without saying as well that there are countless opportunities for shopping and restaurants in the Upper West Side, since NYC is known for being America's hub for foodies and shopping enthusiasts. Whether one is looking for a taste of NYC's rich history and culture, entertainment to keep the kids happy, music venues for the music lovers, restaurants or shops, the Upper West Side offers so many opportunities to get the most out of a trip to the Big Apple.

Wellness Spa Concept

The wellness spa concept for the 2nd floor meeting space will be Moroccan themed. The purpose of bringing this cultural aspect to the spa is to mesh with CDG's vision of creating a unique independent boutique hotel and to provide the guests with an immersive experience into a different culture where they will hopefully use the spa as an outlet to escape the busyness of city life. Based on research of competitors, there are very few spas that have adopted a Moroccan theme in the Upper West Side, so the hope is that this will be competitive advantage for the spa. The lobby/reception area along with all the treatment rooms will have Moroccan inspired tiles and décor to help sell the experience of being in another country (See Image 1, 2, 3). The spa will also offer some traditional Moroccan treatments like a hammam—a body exfoliation performed by a skilled therapists where black soap is applied and then scrubbed with a coarse glove—and the option to end each treatment with a Moroccan tea. The reception area of the spa will also have products from Morocco that are used during treatments, for sale.

Target Market

The target market for this wellness spa are individuals looking for a luxurious spa experience while also having exposure to a cultural experience. Since this will be a luxurious experience within an upscale boutique hotel, we expect the prices to reflect the experience and therefore it will be more costly than the average spa. However, there is no other spa in the area who offers this type of immersive experience. Everything, from the feel of the spa lobby/reception area, to the decoration and tiles, to the native products that will be used, all contribute to making the ambiance as authentic as possible. The spa is not only targeting the guests of the hotel, but all those that live within the Upper West Side and other surrounding neighborhoods. The hope is that the spa serves as a place for the stresses of everyday life to melt away and to take a break and enjoy an experience like no other. Whether it be after a packed day of visiting the city or after a difficult week at work, the doors of the wellness spa will be open to whoever requests our services.

Pictures representing
the project's vision:



Image 1: Lobby/Reception Concept

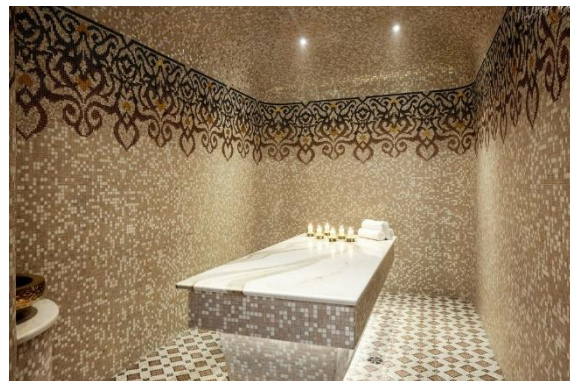


Image 2: Small Treatment Room Concept



Image 3: Changing Room Concept

PROGRAM

The spreadsheet below outlines the program for the implementation of the wellness spa. There is 1,410 sf in existing space and 2,230 sf in new programmed space, in which the spa will be developed in. This comes out to a total of 3,640 sf that will be remodeled to some extent.

WELLNESS SPA PROGRAM			Total SF	Notes
NEW PROGRAMED SPACES:				
Reception Lobby/Retail			221	Given
Men's Changing Room			150	Given
Women's Changing Room			150	Given
TREATMENT ROOMS		QTY	SF/Room	
Small Treatment Rooms		10	80	800
Large Treatment Rooms		2	120	240
SUB-TOTAL NEW PROGRAMMED SPACES				
Floor Efficiency Ratio			1,561	70% FER (2,230 x 0.7)
Circulation			669	Different between total new programmed space and FER
TOTAL NEW PROGRAMMED SPACE			2,230	Given (new programmed space)
EXISTING SPACES				
Men's Restroom (210)			180	Given (existing space)
Women's Restroom (211)			180	Given (existing space)
Lounge (Breakout 214)			350	Given (existing space)
Private Party Room (Boardroom 215)			400	Given (existing space)
Outdoor Terrace (216)			300	Given (existing space)
TOTAL EXISTING SPACES			1,410	Given (existing space)
SUMMARY			TOTAL SF	
Total New Programmed Spaces			2,230	
Total Existing Spaces			1,410	
TOTAL WELLNESS SPA AREA			3,640	

Image 4: Program document showing square footage of existing and programmed spaces

Based off of the Floor Efficiency Ratio being 70%, that means that there is 1,561 sf for the new programmed space that will be revenue generating, which means that the remaining 669 sf is for circulation. Within this space, 500 sf is already allocated to the lobby/reception and the two changing rooms. This leaves 1,061 sf to decide the type and quantity of treatment rooms. All these square footages can be seen clearly in table of Image 4. Ultimately, there will be 10 small treatment rooms and 2 large treatment rooms. The Upper West Side is a costly location in terms of rent and square footage, so the idea was to maximize the number of rooms that could be implemented while still providing the option of two different sized rooms, which in turn will maximize revenues.

If the transformation of the hotel occurs, and it is turned into an upscale boutique hotel, then we expect the guests to have higher expectations. Therefore, with more treatment rooms, the lower the chance we will have to turn down potential guests for being fully occupied. The expectation is that this is a unique and luxurious experience that cannot be found in many places on the Upper West Side and will be popular among not only hotel guests, but also residents of the area. One of the main treatments that will be offered is a traditional hammam, and people in Morocco typically go quite regularly to get this. We would like to adopt a similar business model, where we build a loyal customer base that comes regularly—this is mostly directed towards people who live in the area—through the types of treatments that are offered.

The reason for having only two large treatment rooms is because in these rooms there will actually be two treatment tables for couples' treatments. Guests always like having the option if they want to enjoy an experience with another person. Most of the treatments we offer anyways are intended to be targeted towards treatments for one person at a time because we will be marketing these experiences as a way to completely detach from the busy city lifestyle and society to allow for a complete detox and reconnection with oneself, just like it is intended in Morocco.

BUDGET

This section will be looking at the estimated costs of the budget for the wellness spa renovation project. Image 5 below shows a clear table including general constructions costs, FF&E costs, as well as contingency and soft costs.

ESTIMATED PROJECT BUDGET				
GENERAL CONSTRUCTION BUDGET	AREA	UNIT	\$ PER SF	TOTAL
New Programmed Spaces	2,230	SF	\$ 500	\$ 1,115,000
Existing Spaces	1,410	SF	\$ 100	\$ 141,000
TOTAL GENERAL CONSTRUCTION BUDGET				\$ 1,256,000
FF&E BUDGET	QTY	UNIT	\$ PER SEAT	TOTAL
Lounge Seating	14	Seat	\$ 800	\$ 11,200
Treatment Tables	14	Each	\$ 1,500	\$ 21,000
Treatment Room Task Seating	14	Seat	\$ 350	\$ 4,900
Treatment Room Guest Seating	14	Seat	\$ 500	\$ 7,000
Upscale Tables with Chairs	19	Seat	\$ 600	\$ 11,400
Outdoor Furniture	15	Seat	\$ 400	\$ 6,000
SUBTOTAL FF&E				\$ 61,500
15% for Tax & Freight				\$ 9,225
TOTAL FF&E BUDGET				\$ 70,725
SUMMARY				
GENERAL CONSTRUCTION BUDGET				\$ 1,256,000
FF&E BUDGET				\$ 70,725
SUBTOTAL				\$ 1,326,725
10% Contingency				\$ 132,673
6% Soft Costs (Design & Purchasing Fees)				\$ 79,604
TOTAL ESTIMATED PROJECT BUDGET				\$ 1,539,001

Image 5: Estimated costs for budget of wellness spa renovation project

		Small Treatment Rooms (1 table per room)	Large Treatment Rooms (2 table per room)	Total
	Treatment Tables	10	4	14
For Treatment Rooms ->	Treatment Room Task Seating	10	4	14
	Treatment Room Guest Seating	10	4	14
For Outdoor Terrace ->	Outdoor Furniture	300 sf / 20 sf per seat	15 seats	
For Guest Lounge ->	Lounge Seating	350 sf / 25 sf per seat	14 seats	
For Private Party Room ->	Upscale Tables with Chairs	400 sf / 21 sf per seat	19.04 = 19 seats	

Image 6: Supporting calculations for estimated costs for budget

More than 80% of the estimated cost for the budget comes from the general construction budget, especially for the new programmed spaces. The square footage is so high (\$500 per square foot) because it is in NYC and requires some demolition. In terms of the FF&E budget, there are 12 treatment rooms—10 small treatment rooms and 2 treatment rooms—but since the large rooms have two treatment rooms in them, the total required treatment tables are 14. Accompanying each treatment table are treatment room task seats and treatment room guest seats, that is why there are 14 for each of those as well. In terms of the three existing spaces—the guest lounge, the private party room, and the outdoor terrace—the FF&E for those spaces was calculated by dividing the square footage for those spaces by those by the square footage per seat as seen in Image 6. It is important to note that there is a 15% tax & freight fee, a 10% contingency fee, and a 6% soft costs fee.

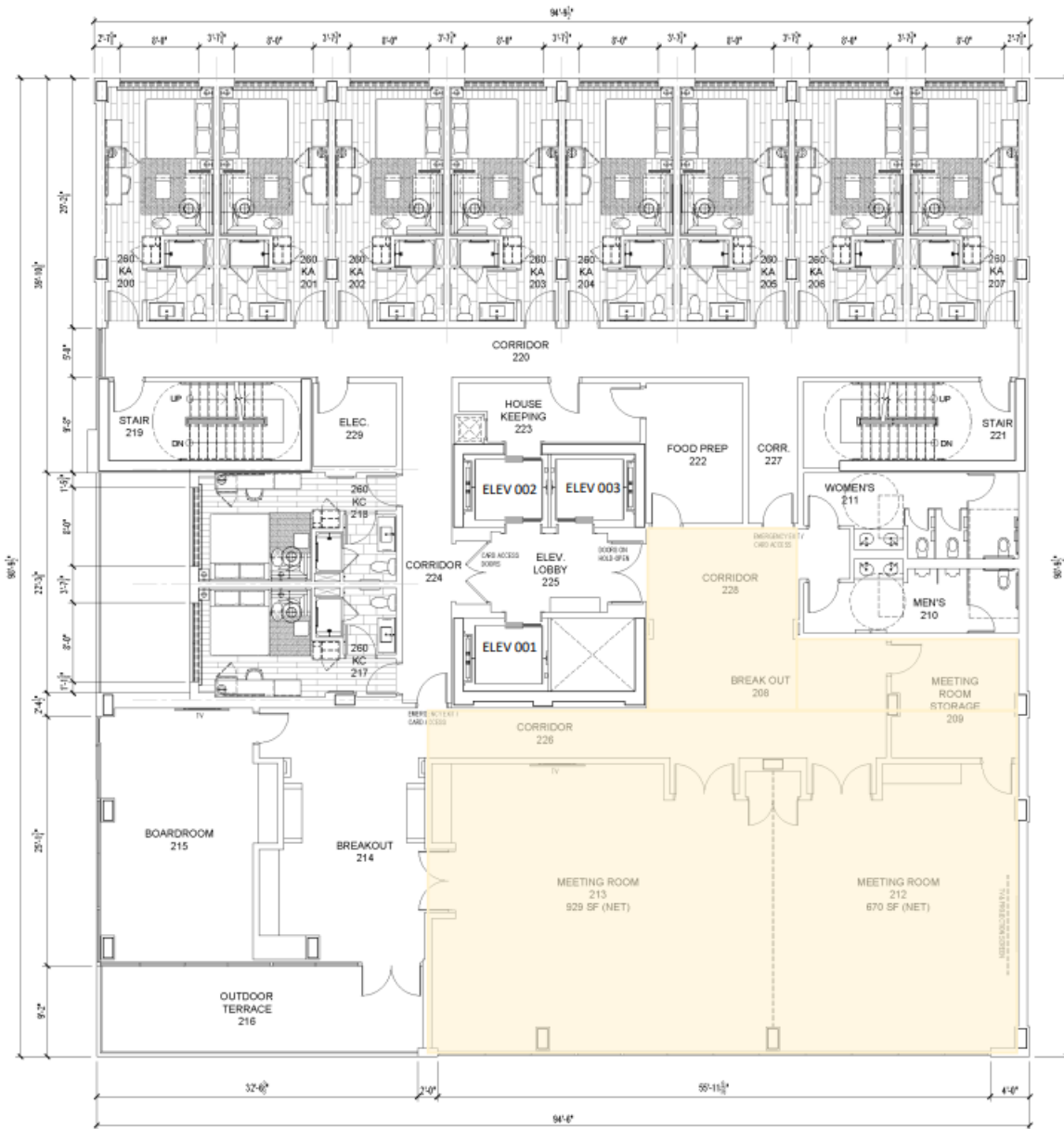
SUMMARY

To summarize some key facts about the renovation plans on the 2nd floor of the recently acquired Hyatt Place hotel, there is a new programmed space of 2,230 sf of which 1,561 sf will be allocated to generating revenue. There is also an existing 1,410 sf of space that won't be as heavily renovated and merely altered to fit in with the wellness spa concept. This means that there is a total of 3,640 sf on the 2nd floor for this project. After calculating the costs for the renovation and implementation of all the treatment rooms and existing spaces, the estimated cost for the budget comes out to \$1,539,001.

There are some challenges that can be anticipated with this renovation project. The most notable issue being that this project takes place on the 2nd floor of the hotel, which also has guest rooms and will therefore interfere with guests. There is never a good time to do renovations in a hotel because it will always cause disturbances between the noises and aesthetics of the construction. Therefore, the plan is to do the renovations during the offseason when occupancy is lower. Circulation on the 2nd floor will need to be isolated from the construction circulation, and it is also imperative the assign specific elevator for construction use only, for example Elevators 001 and 003 seem to be closest to the area of construction so using either one of those for construction will be necessary (look at Appendix for diagram of floorplans).

It will also be important to have a lot of signage for guests, for them to understand what is going on and where to go. Once the project is complete, there will still be a couple challenges as well. Since the spa is on the 2nd floor, it may be difficult for guests who are not staying in the hotel to find the spa because there is no direct access to the street. People may need help finding their way to the 2nd floor which is why there will be more signage put up.

Ultimately, this Moroccan themed wellness spa will perfectly complement the hotel, especially if it is transformed into an upscale independent boutique hotel. There is a lack of competition when it comes to this style for a spa, and guests and residents of the Upper West Side alike will find this spa and cultural experience particularly memorable. The transformation of the 2nd floor will offer a positive return on investment for the hotel because of its uniqueness.



2 LEVEL 2 FLOOR PLAN
SCALE: 1/8" = 1'-0"

